



Virginia Poverty Law Center

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To: Honorable Members, HHR Subcommittee, Senate Finance Committee

From: Jill Hanken, Staff Attorney

Extend Health Insurance to Low-Income, Uninsured Virginians

Under the Affordable Care Act (ACA), the federal marketplace is now selling private health insurance. People with income between 100% - 400% of the Federal Poverty Line (FPL) are eligible for tax subsidies to help them pay for monthly premiums. Individuals with income under 100% FPL are not eligible for tax subsidies. If they don't qualify for Virginia's current Medicaid program, they fall into the Coverage Gap, where they will likely remain uninsured. (Attachment 1) You can **Close the Coverage Gap** by extending insurance to uninsured adults through the ACA Medicaid option.

1. 400,000 uninsured Virginians could get coverage. These are mostly very low income, working adults who are not offered or cannot afford insurance.

- Virginia's current program is very restrictive. Eligibility for adults is among the lowest in the U.S.
 - Average parents' eligibility is about 40% FPL (under \$10,000 /yr. for family of 4).
 - Even disabled people must have income under 80% FPL to qualify for regular coverage (about \$9400/yr.)
 - Non-disabled adults without children cannot get Medicaid in Virginia, no matter how poor they are.
- The new Medicaid income eligibility level would be 138% FPL. (e.g. \$15,856/year for an individual; \$32,499/year for a family of 4.)
- Basic coverage would include preventive care, services for chronic conditions and mental health.
- The newly eligible would include:
 - Children who lose their Medicaid at age 19
 - Individuals declared disabled by Social Security who must still wait 24 months for Medicare
 - Working adults/parents who aren't offered or can't afford job-based insurance
 - Patients receiving mental health services at Community Services Boards
 - Other uninsured low income adults who are suffering from mental illness, but do not have access to mental health services and necessary prescriptions
 - Inmates in prisons/jails who could get coverage for hospital care while they are incarcerated and full coverage upon release to assist with successful re-entry.
 - Older adults (ages 50-64) with chronic conditions

2. Reforming Medicaid must be an ongoing process. The reforms in the 2013 Budget are well underway and meet stated requirements.

- The Medicaid Innovation and Reform Commission has met throughout the year and has actively monitored DMAS' progress on reforms.
- Progress to date appears to meet the 2013 requirements. See <http://mirc.virginia.gov/documents/12-17-13/VI%20-%20Matrix%20-%20Medicaid%20Reform%20Overview.pdf>
 - Phase I reforms (to better coordinate care, improve oversight and reduce costs) are all underway or progressing without delay.
 - Many Phase 2 reforms (commercial-like benefits, patient responsibility, link payments to outcomes) are addressed in DMAS' 2013 MCO Contract, and other issues are linked to a decision to expand coverage.
 - Phase 3 reforms (moving all LTC care populations into managed/coordinated care) are being discussed and planned. The Budget language only requires DMAS to "begin designing the process and obtaining federal authority". [HB 29 Item 307 RRRR.4; HB 30 Item 301 TTT.4]
- Over 9 years (SFY 14- SFY22), the cumulative GF savings from reforms is estimated at \$750.8 million. (*Medicaid: Next Steps*, 2013 Senate Finance Committee Retreat, p. 37)

3. Virginia Must Find Common Ground to Close the Coverage Gap.

- Our neighbors in West Virginia, Kentucky, Ohio, Delaware, Maryland and D.C. offer coverage at all income levels.
- Innovative proposals from Arkansas, Iowa and Michigan have been approved by the federal government to extend coverage in those states.
- There is flexibility to design a program to expand adult coverage in Virginia that incorporates desired policies and reforms.
- Virginia can build upon its newly created "Cover Virginia" website (coverva.org) and call center, and the revised DSS online eligibility system.

4. Delay hurts Virginians and Virginia's Economy.

- 100% federal funding is available through 2016. By using those funds as soon as possible, Virginia is able to set aside more early savings for future use.
- Delay is costing Virginia \$5 million /day since January 1
- Delay costs uninsured Virginians too. Every day, there are people in the Coverage Gap who can't get health care they need. Many have suffered serious illnesses or accidents; many incur thousands of dollars of bills they will never be able to pay.

Over 100 diverse organizations, provider/consumer groups and localities make up the **Healthcare for All Virginians coalition (Attachment 2). We urge you to find a way forward to Close the Coverage Gap and protect the health and financial wellbeing of hundreds of thousands of uninsured Virginians!**

Affordable Care Act Income Levels At a Glance

2013 Federal Poverty Guidelines*

Household Size**	100%	133%	150%	200%	300%	400%
1	\$11,490	\$15,282	\$17,235	\$22,980	\$34,470	\$45,960
2	15,510	20,628	23,265	31,020	46,530	62,040
3	19,530	25,975	29,295	39,060	58,590	78,120
4	23,550	31,322	35,325	47,100	70,650	94,200
5	27,570	36,668	41,355	55,140	82,710	110,280
6	31,590	42,015	47,385	63,180	94,770	126,360
7	35,610	47,361	53,415	71,220	106,830	142,440
8	39,630	52,708	59,445	79,260	118,890	158,520
For each additional person, add	\$4,020	\$5,347	\$6,030	\$8,040	\$12,060	\$16,080

*Income = Adjusted Gross Income + Social Security + Foreign Income + Non-taxable Interest

**Household = Tax Filing Unit

100% - 400% - Tax credits are available for products purchased in Marketplace.

Under 100% - No Tax Credits Available, but people may:

- buy full-priced coverage through the Marketplace;
- qualify for current Medicaid (income limits vary by category)
- fall into Virginia's **Medicaid Gap**.
- There are also special rules for legally residing immigrants with income under 100%. Some may qualify for tax credits in the Marketplace.

Over 400% - No Tax Credits Available, but people can still buy full-priced coverage through the Marketplace.

Under 250% - Eligible for "Cost-Sharing Reductions", but only if a silver plan is purchased.



2014 SUPPORTERS

AARP Virginia	Legal Aid Justice Center
American Assn. of University Women of Virginia	Legislative Coalition of Virginia Nurses
American Cancer Society – Cancer Action Network	Leukemia & Lymphoma Society
American Heart Assn.	Mental Health America of Virginia
Arlington County	Mental Health America – New River Valley
Arlington Free Clinic	National Alliance on Mental Illness of Virginia
Boehringer Ingelheim Pharmaceuticals	National Assn. of Social Workers – Virginia Chapter
Bon Secours Virginia	National MS Society – Virginia Chapters
Brain Injury Assn. of Virginia	National Physicians Alliance - Virginia
Celebrate Healthcare	Nonprofit Virginia
Central Virginia Health Services	Northern Virginia Family Service
Chesapeake Care, Inc.	NOVA ScriptsCentral
CHIP of Virginia	Otsuka America Pharmaceuticals, Inc.
City of Alexandria	Patient Services, Inc.
City of Richmond	Parents as Teachers State Office
Coverage Counts	Partnership for People with Disabilities at VCU
CrossOver Healthcare Ministries	Piedmont Access to Health Services, Inc. (PATHS)
Delta Sigma Theta Sorority, Inc. Virginia Beach Alumnae Chapter	Piedmont Regional Dental Clinic
Direct Care Alliance	Planned Parenthood Advocates of Virginia
Endeppendence Center	Prevent Child Abuse Hampton Roads
FACETS	Prevent Child Abuse Virginia
Fairfax County	ProgressVA
Fan Free Clinic	Rappahannock Legal Services, Inc.
Free Clinic of the New River Valley	Richmond Orthopedics
Gloucester-Mathews Free Clinic	Rx Partnership
Greater Prince William Community Health Center	SEIU – Virginia 512
Greene Care Clinic	Social Action Linking Together (SALT)
H.E.A.L.T.H. NOW, Virginia	The ARC of Virginia
HealthWorks for Northern Virginia	The Commonwealth Institute for Fiscal Analysis
Hemophilia Assn. of the Capital Area	VCU – American Medical Student Assn.
Inova Health System	Virginia Adult Day Health Services Assn.
Instructive Visiting Nurse Assn. (IVNA)	Virginia AFL-CIO
Jewish Community Relations Council of Greater Washington	
League of Women Voters of Virginia	
League of Women Voters, Richmond Metro Area (LMV-RMA)	

Healthcare for All Virginians 2014 Supporters Continued

Virginia Assn. of Area Agencies on Aging
Virginia Assn. of Centers for Independent Living
Virginia Assn. of Community Psychiatric Nurses
Virginia Assn. of Community Services Boards
Virginia Assn. of Free and Charitable Clinics
Virginia Breast Cancer Foundation
Virginia Chapter of Doctors for America
Virginia Chapter, National Organization for Women
Virginia Coalition of Latino Organizations (VACOLAO)
Virginia Coalition to End Homelessness
Virginia Community Healthcare Assn.
Virginia Consumer Voices for Healthcare
Virginia Council of Nurse Practitioners
Virginia Dental Assn.
Virginia Elder Rights Coalition
Virginia First Cities
Virginia Health Care Foundation
Virginia Hemophilia Foundation
Virginia Interfaith Center for Public Policy
Virginia March of Dimes
Virginia Medical Legal Partnership
Virginia Network of Private Providers
Virginia New Majority
Virginia Nurses Assn.
Virginia Oral Health Coalition
Virginia Organizations Responding to AIDS (VORA)
Virginia Organizing
Virginia Podiatric Medical Assn.
Virginia Poverty Law Center
Virginia Public Health Assn.
Virginia Rural Health Assn.
Virginia Rural Health Resource Center
Voices for Virginia's Children
Volunteers of America Chesapeake

For more information, please visit www.havcoalition.org or Email havcare@gmail.com.